

MINUTE ITEM

10/27/66

32. PROPOSED MINERAL EXTRACTION LEASE, OWENS LAKE, INYO COUNTY; PITTSBURGH PLATE GLASS COMPANY - W.O. 5924, P.R.C. 3651.1.

After consideration of Calendar Item 43 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE A MINERAL EXTRACTION LEASE TO THE PITTSBURGH PLATE GLASS COMPANY, THE HIGHEST QUALIFIED BIDDER, IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE, ON 3,531.20 ACRES MORE OR LESS OF SOVEREIGN LANDS IN OWENS LAKE, INYO COUNTY, MORE PARTICULARLY DESCRIBED IN EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, AT AN ANNUAL RENTAL OF \$2.50 PER ACRE AND AT A MINIMUM ROYALTY RATE ON ALL MINERALS EXTRACTED AND/OR PRODUCED AND/OR SOLD FROM THE STATE LANDS AND FROM THE WATERS OF OWENS LAKE, IN THE SUM OF FIFTY CENTS (\$0.50) PER TON, OR TWO PERCENT (2%) OF THE AVERAGE BULK VALUE RECEIVED F.O.B. THE PLANT AT OWENS LAKE, WHICHEVER IS GREATER.

A PERFORMANCE BOND IN THE PENAL SUM OF \$30,000 IS TO BE DEPOSITED BY THE LESSEE TO GUARANTEE THE FAITHFUL PERFORMANCE AND OBSERVANCE OF ALL OF THE TERMS AND CONDITIONS OF THE LEASE.

Attachment

Calendar Item 43 (3 pages)

43.

PROPOSED MINERAL EXTRACTION LEASE, OWENS LAKE, INYO COUNTY; PITTSBURGH PLATE GLASS COMPANY - W.O. 5924.

On July 21, 1966, one bid was received in response to a public Notice of Intention of the State Lands Commission to enter into a lease for the purpose of extraction and as a right-of-way for removing minerals other than oil and gas from certain sovereign lands in Owens Lake, in Sections 27, 28, 33, and 34, T. 17 S., R. 37 E., and Sections 3 and 4, T. 18 S., R. 37 E., M.D.B. & M., Inyo County, containing 3,531.20 acres more or less, designated as W.O. 5924. This offer was authorized by the Commission on May 26, 1966. Mineral will be extracted from brine produced from wells to which radiating canals will be constructed within the lease area.

The bidder, Pittsburgh Plate Glass Company, who is currently operating State leases on Owens Lake, offered a royalty of fifty cents (\$0.50) per ton, or two percent (2%) of the average bulk value received F.O.B. the plant at Owens Lake, whichever is the greater, for all minerals. The bid submitted was reviewed by the staff as to technical sufficiency and economic factors; the Office of the Attorney General has determined that it conforms with (1) the bid requirements as specified in the proposal of State Lands Commission to enter into the aforesaid mineral extraction lease; (2) applicable provisions of law; and (3) the rules and regulations of the Commission.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE A MINERAL EXTRACTION LEASE TO THE PITTSBURGH PLATE GLASS COMPANY, THE HIGHEST QUALIFIED BIDDER, IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE, ON 3,531.20 ACRES MORE OR LESS OF SOVEREIGN LANDS IN OWENS LAKE, INYO COUNTY, MORE PARTICULARLY DESCRIBED IN EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, AT AN ANNUAL RENTAL OF \$2.50 PER ACRE AND AT A MINIMUM ROYALTY RATE ON ALL MINERALS EXTRACTED AND/OR PRODUCED AND/OR SOLD FROM THE STATE LANDS AND FROM THE WATERS OF OWENS LAKE, IN THE SUM OF FIFTY CENTS (\$0.50) PER TON, OR TWO PERCENT (2%) OF THE AVERAGE BULK VALUE RECEIVED F.O.B. THE PLANT AT OWENS LAKE, WHICHEVER IS GREATER.

A PERFORMANCE BOND IN THE PENAL SUM OF \$30,000 IS TO BE DEPOSITED BY THE LESSEE TO GUARANTEE THE FAITHFUL PERFORMANCE AND OBSERVANCE OF ALL OF THE TERMS AND CONDITIONS OF THE LEASE.

Attachment

Exhibit "A"

EXHIBIT "A"

W.O. 5924

Six parcels of land situated in the bed of Owens Lake, County of Inyo, State of California, and described as follows:

Parcel No. 1

All of the area included in Section 27, T. 17 S., R. 37 E., M.D.M., from which the following areas covered by other leases should be excluded, as follows:

- (a) PRC 3308.1, part of Parcel 1.
- (b) PRC 3308.1, part of Parcel 2.
- (c) PRC 257, part of Parcel 3.

Parcel No. 2

All of the area included in Section 28, T. 17 S., R. 37 E., M.D.M., from which the following areas covered by other leases should be excluded, as follows:

- (a) PRC 3308.1, part of Parcel 1.
- (b) PRC 3308.1, part of Parcel 2.
- (c) PRC 257, part of Parcel 1.
- (d) PRC 257, Part of Parcel 3.
- (e) PRC 257, Part of Parcel 4.

Parcel No. 3

All of the area included in Section 33, T. 17 S., R. 37 E., M.D.M., from which the following areas covered by other leases should be excluded, as follows:

- (a) PRC 257, part of Parcel 3.
- (b) PRC 257, part of Parcel 5.
- (c) PRC 2038.1, part of Parcel 1.
- (d) PRC 2038.1, part of Parcel 2.
- (e) PRC 2038.1, part of Parcel 3.
- (f) Part of PRC 210.

Parcel No. 4

All of the area included in Section 34, T. 17 S., R. 37 E. M.D.M., from which the following areas covered by other leases should be excluded, as follows:

- (a) Part of PRC 210.
- (b) PRC 3308.1, part of Parcel 4.
- (c) PRC 3308.1, all of Parcel 5.
- (d) PRC 257, part of Parcel 3.
- (e) PRC 257, part of Parcel 6.

EXHIBIT "A" (CONTD.)

Parcel No. 5

All of the area included in Section 3, T. 18 S., R. 37 E., M.D.M., from which the following areas covered by other leases should be excluded, as follows:

- (a) PRC 257, part of Parcel 6.
- (b) PRC 2038.1, part of Parcel 1.
- (c) PRC 2038.1, part of Parcel 3.
- (d) PRC 2038.1, part of Parcel 4.
- (e) Part of PRC 210.

Parcel No. 6

All of the area included in Section 4, T. 18 S., R. 37 E., M.D.M., from which the following areas covered by other leases should be excluded, as follows:

- (a) PRC 2038.1, part of Parcel 1.
- (b) PRC 2038.1, part of Parcel 2.
- (c) PRC 2038.1, part of Parcel 3.
- (d) PRC 2038.1, all of Parcel 4.
- (e) PRC 2038.1, all of Parcel 5.
- (f) PRC 2038.1, all of Parcel 6.
- (g) Part of PRC 210.
- (h) $\frac{1}{2}$ of $\text{NW}\frac{1}{4}$ of $\text{SW}\frac{1}{4}$ and the $\text{SW}\frac{1}{4}$ of $\text{SW}\frac{1}{4}$ which contains a portion of PRC 2967.1.

Total acreage of the lands described with exclusions is 3531.20 acres, more or less.